

Maryland Public Ethics Law

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**§ 15-501. Restrictions on participation.**

(a) In general. -- Except as otherwise provided in subsection (c) of this section, an official or employee may not participate in a matter if:

(1) the official or employee or a qualifying relative of the official or employee has an interest in the matter and the official or employee knows of the interest; or

(2) any of the following is a party to the matter:

(i) a business entity in which the official or employee has a direct financial interest of which the official or employee reasonably may be expected to know;

(ii) a business entity, including a limited liability company or a limited liability partnership, of which any of the following is an officer, director, trustee, partner, or employee:

1. the official or employee; or

2. if known to the official or employee, a qualifying

relative of the official or employee;

(iii) a business entity with which any of the following has applied for a position, is negotiating employment, or has arranged prospective employment:

1. the official or employee; or

2. if known to the official or employee, a qualifying

relative of the official or employee;

(iv) if the contract reasonably could be expected to result in a conflict between the private interest and the official State duties of the official or employee, a business entity that is a party to a contract with:

1. the official or employee; or

2. if known to the official or employee, a qualifying

relative of the official or employee;

(v) a business entity, either engaged in a transaction with the State or subject to regulation by the official's or employee's governmental unit, in which a direct financial interest is owned by another business entity if the official or employee:

1. has a direct financial interest in the other business

entity; and

2. reasonably may be expected to know of both

financial interests; or

(vi) a business entity that:

1. the official or employee knows is a creditor or

obligee of the official or employee, or of a qualifying relative of the official or employee, with respect to a thing of economic value; and

2. as a creditor or obligee, is in a position to affect

directly and substantially the interest of the official, employee, or qualifying relative.

(b) Exceptions. -- (1) The prohibitions of subsection (a) of this section do not apply if participation is allowed:

(i) as to officials and employees subject to the authority of the Ethics Commission, by regulation of the Ethics Commission;

(ii) by the opinion of an advisory body; or

(iii) by another provision of this subtitle.

(2) This section does not prohibit participation by an official or employee that is limited to the exercise of an administrative or ministerial duty that does not affect the disposition or decision with respect to the matter involved.

(c) Participation notwithstanding conflict. -- An official or employee who otherwise would be disqualified from participation under subsection (a) of this section shall disclose the nature and circumstances of the conflict, and may participate or act, if:

(1) the disqualification would leave a body with less than a quorum capable of acting;

(2) the disqualified official or employee is required by law to act; or

(3) the disqualified official or employee is the only individual authorized to act.

### **§ 15-523. Institutions of higher education.**

(a) Definitions. -- (1) In this section the following words have the meanings indicated.

(2) "Conflict of interest policies" means policies adopted by a governing board and approved:

(i) by the Office of the Attorney General; and

(ii) as to conformity with this section, by the Ethics

Commission.

(3) "Governing board" has the meaning provided in § 10-101 of the Education Article.

(4) "Educational institution" means:

(i) a public senior higher education institution as defined in § 10-101 of the Education Article;

(ii) a center or institute of the University System of Maryland that is designated in the conflict of interest policies adopted by the System's Board of Regents; or

(iii) the University System of Maryland Administration, for which the Chancellor of the System shall be considered the president for purposes of this section.

(5) "Relationship" includes any:

(i) interest;

(ii) service;

(iii) employment;

- (iv) gift; or
  - (v) other benefit or relationship.
- (6) (i) "Research or development" means basic or applied research or development.
- (ii) "Research or development" includes:
1. the development or marketing of university-owned technology;
  2. the acquisition of services of an official or employee, by an entity for research and development purposes; or
  3. participation in State economic development programs.
- (b) Adoption of procedures. -- (1) Each educational institution engaged in research or development shall develop conflict of interest procedures based on:
- (i) conflict of interest policies developed by its governing board; and
  - (ii) the purposes of this title specified in § 15-101 of this title.
- (2) Before they may become effective, the procedures and policies developed under this subsection shall be approved by:
- (i) the Office of the Attorney General; and
  - (ii) as to conformity with this section, the Ethics Commission.
- (c) Content of procedures -- In general. -- The procedures adopted by an educational institution under subsection (b)(2) of this section shall:
- (1) require disclosure of any interest in or employment by or other relationship with an entity for which an exemption under this section is claimed, on a form filed with the Ethics Commission and maintained as a public record at the educational institution;
  - (2) require review of all disclosures by a designated official, who shall determine what further information must be disclosed and what restrictions shall be imposed by the educational institution to manage, reduce, or eliminate any actual or potential conflict of interest;
  - (3) include guidelines to ensure that interests and employment for which an exemption under this section is claimed do not improperly give an advantage to entities in which the interests or employment are maintained, lead to misuse of institution students or employees for the benefit of entities in which the interests or employment are maintained, or otherwise interfere with the duties and responsibilities of the exempt official or employee;
  - (4) require approval by the president of the educational institution of any interest or employment for which an exemption is claimed under this section; and
  - (5) require approval by the governing board of the educational institution if an exemption is claimed by the president of the educational institution.
- (d) Same -- Consultations. -- Policies and procedures adopted pursuant to this section may provide for periodic consultation with the Department of Business and Economic Development and with federal agencies that have imposed regulatory requirements on federally funded research, concerning the implementation of this section.

(e) Exemption from State Ethics Law requirements. -- Except as provided in subsection (f) of this section, a present or former official or employee at an educational institution may have a relationship, otherwise prohibited by this subtitle, with an entity engaged in research or development, or with an entity having a direct interest in the outcome of research or development, only if the educational institution has adopted policies and procedures in accordance with this section, and the official or employee has complied with the policies and procedures. If the provisions of this subsection are not met, the official or employee is not exempt from any relevant provisions of this subtitle.

(f) Limitation on exemptions. -- (1) This section does not exempt an official or employee at an educational institution from the provisions of § 15-505 of this subtitle.

(2) An official or employee at an educational institution may not:

(i) represent a party for contingent compensation in any matter before the institution's governing board or before the Board of Public Works; or

(ii) intentionally misuse the individual's State position for the individual's personal gain or for the gain of another person.

(g) Quarterly reports. -- Each governing board shall report quarterly to the Governor, the Legislative Policy Committee of the General Assembly, and the Ethics Commission the number of approvals granted under subsection (c) of this section and how the conflict of interest policies and procedures adopted pursuant to this section have been implemented in the preceding year.

(h) Chancellors, vice-chancellors, presidents, vice-presidents. -- (1) This subsection applies to an official who is a chancellor, vice-chancellor, president, or vice-president, or to an individual who holds a similar such position, at a public senior higher educational institution in the State.

(2) An official subject to this subsection may not receive an exemption under this section unless the governing board of the educational institution finds:

(i) that participation by, and the financial interest or employment of, the official is necessary to the success of the research or development activity; and

(ii) that the conflict of interest can be managed consistent with the purposes of this section and other relevant provisions of this title.

(3) Notwithstanding the provisions of subsection (g) of this section, the governing board of an educational institution shall promptly notify the Ethics Commission in writing of any exemption that is granted under this section to an official subject to this subsection.

(4) (i) If the Ethics Commission disagrees with an exemption that is granted by the governing board of an educational institution to an official who is subject to this subsection, within 30 days after receipt of the notice under paragraph (3) of this subsection, the Ethics Commission shall notify the governing board of the reason for its concern.

(ii) Upon receipt of the notice from the Ethics Commission that is provided under subparagraph (i) of this paragraph, the governing board of the educational institution shall reexamine the matter.